

Message Text

CONFIDENTIAL

PAGE 01 PEKING 01084 190442Z

11

ACTION EB-11

INFO OCT-01 EA-11 ISO-00 COME-00 TRSE-00 OMB-01 INT-08

CIAE-00 DODE-00 PM-07 H-03 INR-10 L-03 NSAE-00 NSC-10

PA-03 RSC-01 PRS-01 SPC-03 SS-15 USIA-15 ACDA-19

IO-13 GSA-02 TAR-02 STR-08 CEA-02 NSCE-00 DRC-01 /150 W

----- 130940

R 190425Z SEP 73

FM USLO PEKING

TO SECSTATE WASHDC 736

INFO AMCONSUL HONG KONG

C O N F I D E N T I A L PEKING 1084

E.O. 11652: GDS

TAGS: EIND, ETRD, CH, US

SUBJ: US FERROUS SCRAP EXPORTS TO THE PRC

REF: STATE 180246

1. IN RESPONSE TO LOW KEY INQUIRY REQUESTED REFTEL, USLO WAS INFORMED ON SEPTEMBER 18 THAT UNLOADING OF THE "ALLEPPO" IS NOT YET COMPLETED AND THAT IT IS NOT POSSIBLE "AT THIS TIME" TO GIVE US A FIXED DATE WHEN IT WILL BE COMPLETED.

2. WE ARE ANXIOUS TO BE OF ASSISTANCE TO COMMERCIAL METALS, AND WOULD BE WILLING TO MAKE A FOLLOW-UP CALL AT CHINA NATIONAL METALS AND MINERALS CORPORATION (MINMETALS) IF STATE AND COMMERCE BELIEVE IT MIGHT HELP. HOWEVER, WE WOULD NOT WISH TO MAKE ANOTHER APPROACH WITHOUT MORE GUIDANCE AND DETAILS, SPECIFICALLY ON PRC OBLIGATIONS AND PERFORMANCE UNDER THE CONTRACT AND WHETHER OR NOT PRC IS PAYING ITS PROPER SHARE OF DEMURRAGE COSTS. IF IT CANNOT BE DEMONSTRATED THAT PRC IS FAILING TO LIVE UP TO ITS OBLIGATIONS UNDER THE CONTRACT, WE WOULD RECOMMEND AGAINST PURSUING THE MATTER FURTHER.

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PAGE 02 PEKING 01084 190442Z

3. WE ARE STILL HOPEFUL THAT OUR SEPTEMBER 4. MEETING

AT MINMETALS, BUTTRESSED BY OUR LOW LEVEL INQUIRY,
WILL HAVE THE DESIRED EFFECT. GIVEN APPARENT PRC CONCERN
ABOUT SCRAP PURCHASES IN PERIOD OF TIGHT WORLD MARKET,
WE SUSPECT THEY WOULD BE ANXIOUS FOR GOOD RELATIONS WITH
US SUPPLIERS AND EVEN MORE SCRUPULOUS THAN USUAL IN
FULFILLING THEIR CONTRACTUAL OBLIGATIONS.

4. STATE AND COMMERCE MIGHT ALSO MAKE INQUIRIES
WITH OTHER U.S. SCRAP FIRMS THAT ARE EXPORTING TO THE
PRC TO ASCERTAIN WHETHER THEY HAVE HAD SIMILAR DIFFICULTIES.
SUCH INQUIRIES COULD HAVE THE ADDITIONAL BENEFIT OF
PROVIDING THEM WITH A WARNING ABOUT POSSIBLE PORT DELAYS
AND THE NEED TO TAKE THIS INTO ACCOUNT WHEN ARRANGING
FOR C.I.F. SHIPMENTS TO THE PRC.
BRUCE

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Message Attributes

Automatic Decaptioning: X
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Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CARGO HANDLING, EXPORTS, METALS, CONTRACTS
Control Number: n/a
Copy: SINGLE
Draft Date: 19 SEP 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: golinofr
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
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Executive Order: GS BRUCE
Errors: N/A
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From: PEKING
Handling Restrictions: n/a
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Review Exemptions: n/a
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Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

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Review Withdrawn Fields: n/a
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TAGS: EIND, ETRD, CH, US, COMMERCIAL METALS
To: STATE
Type: TE
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